

## **V. Program-Specific Requirements**

### **V.A. Community Development Block Grant**

The proposed uses of DHCD's budgeted CDBG funds, including program income and other funds, are described in the Use of Funds Section, starting on page 35. As noted in Section III (page 31) of this Action Plan, DHCD anticipates receiving \$8,950,000 in program income during FY 2005, all from loan repayments and proceeds of sales or leases of property. While the District is examining the feasibility of a float-funded loan program, we have no concrete plans to initiate this activity at this time. The Department does not anticipate any urgent need activities at present.

The process by which DHCD makes CDBG funds available is described on page 36. Individuals, for-profit and nonprofit organizations are eligible to apply for these funds provided that they meet all HUD program-specific requirements regarding income eligibility, Conflict of Interest, use of debarred or suspended contractors, and other administrative requirements, and are not delinquent on liabilities to the District government or in other material violation of District requirements.

### **V.B. HOME Program**

The following text addresses specific requirements of the Consolidated Planning process for the HOME Program.

Forms of Investment: All proposed uses of HOME funds are described in The Financial Uses Section of this Action Plan. The District's FY 2005 HOME funds will be invested as loans (amortizing or deferred) and grants only.

Homebuyer Provisions: When DHCD uses HOME funds for homeownership activities, it utilizes the recapture provision of the HOME Program pursuant to 24 CFR 92.254(a)(5)(ii)(A)(1). Specifically, DHCD has a written procedure specifying the recapture options used: 1) the Department will recapture the entire amount of the HOME investment from the homeowner if the homeowner sells the assisted property or otherwise fails to maintain it as his/her primary residence during the affordability period; or 2) the Department will reduce the HOME investment amount to be recaptured on a pre-rata basis for the time the homeowner has owned and occupied the housing measured against the required affordability period. Moreover, DHCD includes the recapture requirement provision in the promissory note and deed of trust.

Refinancing: DHCD does not use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds.

Definition of Modest Housing: DHCD defines "modest housing" by following the method outlined in 24 CFR 92.254(a) (iii) for its homebuyer assistance and single family rehabilitation programs. Specifically, DHCD caps the allowable sales price or post-rehabilitation value at the Single Family Mortgage Limit under the Section 203(b) program, as permitted by 24 CFR 92.254 (a)(2)(iii). The limit for the District of Columbia is as follows:

House Size	1 family	2 family	3 family	4 family
203(b) Limit	\$269,800	\$303,880	\$369,200	\$426,000

These limits apply to one-to-four family units. DHCD does not presently finance manufactured housing. In addition DHCD applies the one-family limit to the sales price or post-rehabilitation value to define modest housing in the case of condominium or co-operative units. In doing so, DHCD cites the following:

*94.254(a)(2)(iii): If a participating jurisdiction intends to use HOME funds for homebuyer assistance or for rehabilitation of owner-occupied single-family properties, the participating jurisdiction may use the Single Family Mortgage Limits under Section 203(b) of the National Housing Act (12 U.S.C. 1709(b) (which may be obtained from the HUD Field Office) or it may determine 95 percent of the median area purchase price for single family housing in the jurisdiction as follows....*

DHCD uses the 203(b) limit rather than the 95 percent of the median area purchase price standard.

Although the above limit represents the regulatory maximum, DHCD recognizes that even a \$269,800 home is beyond the limit of most lower-income households. The Home Purchase Assistance Program typically helps households who are purchasing homes costing approximately \$120,000.

**Affirmative Marketing:** DHCD follows HUD's regulations as prescribed in the Affirmative Fair Housing Marketing Plan form (AFHMP) [HUD 935-2]. DHCD ensures that its grant sub-recipients complete and submit the AFHMP with accompanying information on residential housing projects of five units or more, whether these are located in one parcel or a scattered multifamily project. DHCD aims to ensure that prospective buyers or tenants of all racial and ethnic groups (minority and non-minority) in the housing market area, regardless of their protected basis, know about the housing projects(s), are attracted to the housing project, feel welcome to apply and have the opportunity to buy or rent. The AFHMP targets areas that have been subjected to housing discrimination based on one of the protected basis under the Fair Housing Act; persons not likely to apply for the housing without special outreach efforts due to self or forced segregation, linguistic isolation, neighborhood racial or ethnic composition and patterns, and location and price of housing.

**Outreach to Minority- and Women-Owned Businesses:** The District Government as a whole has an active program of contracting with and promoting Local, Small, and Disadvantaged Business Enterprises (LSDBEs), which include minority- and women-owned businesses. The District's Office of Local Business Development (OLBD) monitors the efficiency and compliance of all District government agencies, including DHCD, in accordance with the legislative mandate of the "Equal Opportunity for Local, Small, and Disadvantaged Business Enterprises (LSDBE) Act of 1998." OLBD reviews and approves Affirmative Action Plans submitted by District agencies for public/private partnerships and for contractors with contracts in excess \$25,000. It also provides technical assistance to LSDBEs that wish to contract, or currently contract, with the District government, and helps those entities with outreach.

DHCD's loan and grant agreements with developers require that the developers submit Affirmative Action Plans that set forth goals for the hiring of local, small and disadvantaged business enterprises and for hiring minorities and women for construction and non-construction jobs. The agreements also enforce Section 3 requirements and the requirements at 24 CFR 92.350.

## **VI. Special Initiatives**

### **VI.A. Neighborhood Revitalization Strategy (NRSA)**

#### **VI.A.1. Georgia Avenue NRSA**

DHCD submitted an application in 1999 to the U.S. Department of Housing and Urban Development to designate the Georgia Avenue Corridor as a Neighborhood Revitalization Strategy Area (NRSA). The purpose for submitting the application was to address the economic development needs of the corridor.

The Georgia Avenue Corridor is one of the major north-to-south transportation routes connecting Maryland to downtown D.C. The targeted area includes the 39 census blocks that abut Georgia Avenue from Florida Avenue, N.W. to Eastern Avenue, N.W. Portions of the lower end of the strategy area already qualified as an NRSA because of their federal designations as Enterprise Communities.

#### ***Development Strategies***

The NRSA development strategies for the corridor include job creation, housing development, employment and entrepreneurial training and infrastructure development. A combination of projects and program activities has been identified in the NRSA supporting these four categories to serve as the core tools for revitalizing the Corridor.

The economic performance measures include creating 50 new jobs each year, opening one new job training center, creating 5 new businesses each year, and attracting 1 major employer each year. The housing performance goals include: increasing homeownership by 1%, rehabilitating 20 single-family houses and 20 multifamily properties during the designated period. The measures also include renovation of 2 community parks, installation of 50 historical markers, and improvements to the Gateway at Silver Spring.

Several goals have been achieved. These include infrastructure improvements, commercial facade improvements, completion of two recreation centers and the improvements to ballfields, improvements in small business development services delivered to corridor businesses, development of housing and renovation of apartment units and provision of housing counseling services. In FY 2005 DHCD will continue to employ similar strategies to revitalize the area. In its competitive process for project funding, the Department has identified several initiatives that it will focus on: commercial corridor and small business development activities, façade improvements, housing counseling, and support the development of a mix-use (commercial and housing) development project through land disposition. DHCD will continue to aggressively pursue viable proposals/projects for the area and work cooperatively with the Department of Parks and Recreation to complete the renovation of community parks and facilities, and the Department of Employment Services and Deputy Mayor for Planning and Economic Development to retain and attract businesses and jobs.

### ***Job Training and Entrepreneurial Training***

Working in conjunction with Community Development Corporations (CDC), the District of Columbia Chamber of Commerce opened the Georgia Avenue Business Access Center (now called the Georgia Avenue Business Resource Center) at 7408 Georgia Avenue in August 2000.

During 2004, DHCD will provide Community Development Block Grant (CDBG) funding to the Georgia Avenue Business Resource Center to carry out commercial corridor and small business development activities. Programs to be offered include the development of business plans, working with businesses to obtain their Master Business Licenses and become 8 (a) certified; attracting and recruiting new businesses to the corridor, providing business support and technical assistance services to new businesses and developing web pages for businesses.

### ***Housing Development***

DHCD has approved funding through its 2004 NOFA process to rehabilitate a 26-unit building at 6425 14th Street, NW. In addition, in 2005, DHCD proposes to transfer two commercial properties at 3813 and 3815 Georgia Avenue to the National Capitol Revitalization Corporation for a mixed use, housing and commercial development project. Approximately 100 units will be realized from this disposition.

### ***Employment***

The D.C. Department of Employment Services (DOES) is providing employment services to residents of the NRSA are from its One Stop Career Center located at 1500 Franklin Street NE. Since the inception of the NRSA designation, several new businesses have been established along the Georgia Avenue corridor. The Deputy Mayor for Planning and Economic Development continues to pursue major employers for this area.

### ***Infrastructure Improvements***

- *Commercial Facades:* DHCD is committed to completing 93 facades during FY 2004 and carrying over this activity into FY 2005 on Georgia Avenue stretching from the lower portions of the avenue up to the District-Maryland line.
- *Parks and Recreation Improvements:* During FY 2004 through FY 2005, the design and beginning stages of implementation of the renovation of the Banneker Recreation Center will be underway.

## **VI.A.2. Carver Terrace/Langston Terrace/Ivy City/Trinidad NRSA**

DHCD applied to HUD for the designation of the Carver/Langston Terrace/Ivy City/Trinidad (CLTICT) communities as a Neighborhood Revitalization Strategy Area (NRSA) in August 2000. The CLTICT NRSA includes five census tracts defined by New York Avenue, Florida Avenue and Bladensburg Road, and includes Galludet University and the Farmer's Market, as well as major residential and light industrial developments.

The CLTICT NRSA development strategy includes job creation, housing development, employment and entrepreneurial training, and infrastructure development. A comprehensive set of projects and programs has been developed around these four areas to serve as the core tools for revitalizing the neighborhood.

The performance measures for job creation during FY2000-FY2005 are to create 25 new jobs each year and start 3 new businesses each year. Jobs created will help break the cycle of poverty, teach new skills and give residents the ability to buy and maintain their homes.

The performance measures for housing and community facilities development over the NRSA period are creation of affordable/mixed-income housing units for 600 families over five years; construction of one 80 slot day care center; construction of one birthing and well-care center for low income residents; and development of three computer learning centers.

In FY 2005 DHCD will continue to employ similar strategies to revitalize the area. In its competitive process for project funding, the Department has identified the following initiatives: housing development; home ownership initiatives; and residential lead-based paint hazard assessments.

### ***Housing Development***

MANNA Inc. was selected in the 2003 NOFA process to fund the rehabilitation of three Homestead Properties on Holbrook Street, NE in 2004. This project will produce 30 units of rehabilitated housing after completion. In addition, Carver Terrace apartments, a 312-unit project will receive Nine Hundred Eighty Five Thousand Dollars (\$985,000) in FY 2004 for acquisition cost.

### ***Job Training, Employment and Entrepreneurial Training***

The construction of the DC Developing Families Center (birthing center) was completed in 2000. The Center created 41 new permanent jobs. The Carver Terrace Health and Child Development Center was completed FY 2002. Services being offered include the operation of an 80-slot day-care center and a health center serving 500 neighborhood residents. Fourteen permanent jobs were created.

In addition, employment and entrepreneurial training performance measures included training 50 youth entrepreneurs and 100 community residents in housing construction and lead/asbestos abatement trades. The Youth Services Administration is building a training center, and working closely with the Ivy City Patriots (a community based organization) to enroll students. These or similar measures to establish a mechanism that will achieve the employment and entrepreneurial performance measures will be achieved through DHCD's continued negotiations and discussions with community development corporations and community stakeholder organizations. Also, the Carver Terrace Community Development Corporation continues to work with the D.C. Department of Employment Services to establish a job- training program.

### ***Infrastructure Improvements***

Infrastructure improvements performance measures include renovating two community parks in the next three years; planting a 1,000 street trees to replace missing or dead existing trees; renovating roadways at New York Avenue, Montana Avenue and other streets in the NRSA Area.

The District's Department of Transportation is undertaking a transportation study along the New York Avenue Corridor, which will have an impact on the NRSA. DDOT has budgeted out-year funds to renovate New York and Montana Avenues.

The city has created a major economic and transportation improvement by assisting to plan and fund a New York Avenue Metro Station at the western edge of the Area. This planning and funding for this station was developed through a unique public-private partnership. The station will assist DHCD in its strategy to increase jobs and businesses in the Area as well as improving the infrastructure for pedestrian, auto and rail access.

In FY 2005, DHCD will continue its cooperative efforts with the Department of Transportation and Department of Public Works to improve the Area environment. The Department will also work with the Office of Planning as they undertake new planning initiatives in cooperation with the community and stakeholders for the Georgia Avenue Corridor and the communities of Ivy City/Trinidad, Carver Terrace and Langston. DHCD will pursue projects that support the outcomes of the plans in the areas of housing and local business district revitalization.

#### **VI.B. Section 108**

- *Section 108 Loan Guaranty Program:* Provides a lower-cost, long-term financing option for CDBG eligible projects by pledging future Block Grant entitlements. The Office of the Deputy Mayor for Planning and Economic Development is intending to use the HUD Section 108 Loan Guarantee Program to finance several large economic development projects currently in the planning and implementation stages.

The Government of the District of Columbia is preparing two applications to the U.S. Department of Housing and Urban Development under the Section 108 Loan Guarantee Program:

##### **In FY 2004:**

1) The District Government will submit an Application to HUD requesting up to a \$56 million loan guarantee to assist the private development of a major retail shopping center, to be known as DC USA, an adjoining underground multi-level parking facility, and the funding of a neighborhood economic development program geared to both public space improvements and targeted assistance to small businesses in the Columbia Heights area. The developer, DC USA Operating Co. LLC, a New York limited liability company, will receive grant funding of \$43.5 Million for development of the parking garage and other costs. The District proposes to repay the loan through new tax revenues that DC USA will generate under the establishment of a new "Tax Increment Financing (TIF) District". If there are insufficient new tax revenues to pay the loan debt service, the District has pledged its future federal Community Development Block Grant (CDBG) funds for repayment over the 20-year loan., and

2) In FY 2004, the District Government will submit an Application to HUD requesting up to a \$27.965 million loan guarantee to provide financing for the redevelopment of a major retail shopping center, known as Skyland. The Skyland Project will be located at the intersection of Good Hope Road and Alabama Avenue, SE, in the Hillcrest neighborhood of Ward Seven. The District intends to make a loan for up to \$24.9 million of the available Section 108 proceeds to the National Capital Revitalization Corporation (NCRC), an instrumentality of the District of Columbia, to acquire land, relocate current tenants, demolish existing buildings, and complete environmental

remediation. Once NCRC has acquired lands, completed relocation and prepared the site, it will convey land to the proposed developer, consisting of the Rappaport Companies, Harrison-Malone Development, the Washington East Foundation, and Marshall Heights Community Development Organization. The District, if approved under the federal Community Development Block Grant (CDBG) regulations regarding the use of program income, intends to repay the Section 108 debt using NCRC proceeds from the sale of the Government Printing Office (GPO) site owned by a NCRC subsidiary, and if necessary from other sources provided by NCRC. If there are insufficient funds from the sale of the GPO site or from NCRC, the District has pledged its future CDBG funds for annual debt repayments over the 20-year loan period.

- *CDBG Float Loan Program:* Provides very-low-cost, short-term financing for CDBG-eligible projects by lending obligated, but unused CDBG entitlement. DHCD and the Office of the Deputy Mayor for Planning and Economic Development will coordinate the administration of any such loans, if this program is utilized in any given year.

All required Action Plan Amendment procedures will be followed for any 108 or Float Loan Program activity.

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